

National Medicare

*Let's Look Before
We Leap*

by the
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NATIONAL MEDICARE

Let's Look Before We Leap

An objective analysis of the proposed
Federal Medicare Scheme

by the
HONORABLE ERNEST C. MANNING
Premier of Alberta

Ladies and Gentlemen:

It is not my intention to waste your time by asking you to listen to a negative political criticism of the proposed national medicare program. What I wish to do is to make an objective analysis of the scheme and bring to your attention certain facts which are being ignored by the advocates of the plan. It is for you to decide whether the proposed plan is in your interests and worthy of your support. Your decision will be irrevocable, for the nature of the plan is such that if you permit its implementation in the form proposed, Canada will have embarked on the road to a complete welfare state from which there will be no turning back. Your decision will affect every family and every taxpayer and the individual rights of every citizen. It is not, therefore, a decision to be taken lightly or without a complete understand-

ing of what is involved. As responsible citizens, let us be wise enough to look before we leap.

I do not question for one moment the sincerity of the Prime Minister and his government in advocating this program. They have been convinced by socialistic advisers that such a plan is what the Canadian people need and want. These conclusions are open to serious question.

I am 100% in support of the proposition that high quality comprehensive medical services should be available to every citizen whether his income be large or small. I agree the Federal and Provincial Governments should bring such services within the financial reach of every family. Let this be clearly understood. Too many are willing to imply that anyone who opposes the welfare state method of meeting human needs is indifferent to such needs and satisfied with the status quo. Nothing could be further from the truth. I am unalterably opposed to turning Canada into a bureaucratic welfare state but I am as anxious as any socialist to see that every family is able to obtain complete medical care at a price they can afford to pay. My concern over the federal proposal is not, therefore, with its objective, but with the method by which it is proposed to attain that objective.

The federal scheme is to have five significant characteristics:

- (1) It is to be universal. That is, it will be a compulsory program in which all must participate whether they wish to or not.
- (2) It is to provide comprehensive coverage. Starting with physicians' services, other services will be added over a period of time until all aspects of medical care are covered.
- (3) It is to be administered by governments or government agencies. Existing medical insurance carriers will not be permitted to participate.
- (4) Its benefits are to be portable so the individual will not be penalized if he moves from one province to another.
- (5) It is to be financed, entirely, from public funds. The individual, no matter what his financial resources, is not to pay for any part of his medical services, other than as a taxpayer.

The estimated initial cost of the program is \$28.00 per capita, or about half a billion dollars, to be paid, jointly, by the Federal and Provincial Governments. As additional services are added, the cost will increase to around one billion dollars a year.

An analysis of these proposals reveals some things with which we can all agree.

- (1) Few will quarrel with the proposed scope of the program. It makes good sense to start with physicians' services

and phase in additional services until all pertinent areas of medical care are covered.

- (2) The portability feature is good, and important in these days when many people move from one part of the country to another.

The remaining aspects are the ones which cause concern. The first is the implications hidden behind the innocuous term "universal". At first this might be thought to mean that the benefits of the scheme will be available to anyone who wants to participate. This isn't what it means at all. What is meant by "universal" is that the plan arbitrarily includes everybody, whether they need the benefits and whether they wish to be included or not. It is a compulsory program in which participation is compelled by the state and not left to the voluntary choice of the citizen himself.

This feature of the plan violates a fundamental principle of free society, namely, the right of each citizen to exercise freedom of choice in matters relating to his own and his family's welfare. Welfare state advocates will scream that this is not so but no man can truthfully say he has freedom of choice if he is forced to participate in a compulsory state scheme for his medical services, whether he wishes to or not.

No one can deny that this feature of the plan is a flagrant violation of each

citizen's inalienable right to freedom of choice in a free society. The big question is: "Do we care?" "Do we value our individual liberty enough to raise our voices in protest, or are we willing to sell our right to freedom of choice for \$28.00 per head?"

This compulsory feature should be sufficient to end all consideration of this method of meeting our medical needs. Unfortunately, the insidious barrage of socialistic propaganda to which society has been subjected in recent years has dulled public concern for individual liberty and has, in fact, portrayed the defence of that liberty as a vice rather than a virtue. Socialists have created the false impression that the advocates of welfare state programs are the only ones really concerned for human needs and the equally false impression that only through such programs can legitimate human needs be met. Both of these propositions are false.

Look now at the second feature of the scheme. Having started with the assumption that compulsory state-operated plan is the only way to meet the recognized need, this fallacious reasoning is carried into the method proposed for financing the plan. The total cost is to be paid for by the Federal and Provincial Governments or, in other words, with the taxpayers' money.

It is alarming to hear this plan being advocated as a program to provide free medical services to the Canadian people.

A service does not become free simply because the government pays the bill. Any bill a government pays it pays with money it takes out of your pockets, as the taxpayers of the nation. Are you, as taxpayers, in favor of governments spending your money to pay for medical services for those who can well afford to buy their own medical insurance?

You are being told that new taxation will not be necessary because the expansion of the national economy will generate the additional revenue required. This assertion is not supported by either past or present experience. I have been attending Federal-Provincial Fiscal Conferences for over twenty-five years. At every such conference the provinces demonstrate that their revenues are insufficient to meet their expenditures and, therefore, they must have a larger share of the Canadian tax dollar.

The Federal Government, invariably, points out that its expenditures are in excess of its income and, therefore, it cannot meet the demands of the provinces for more money. The expansion of the national economy does generate more revenue but the fact is Canadian governments already are committed to expenditures in excess of their revenues and large deficits are accumulating notwithstanding the expansion taking place in our national economy.

The following figures from the Public Accounts of Canada and the Dominion

Bureau of Statistics make this abundantly clear:

GOVERNMENT DEFICITS — 1958-1964
(In millions of dollars)

March 31st	Federal	Provincial	Total
1958	38	10	48
1959	609	49	658
1960	413	80	493
1961	340	316	656
1962	791	250	1,041
1963	691	178	869
1964	619	311	930
Total	\$3,501	\$1,194	\$4,695

Federal Government Deficits from Public
Accounts of Canada.

Provincial Deficits from Dominion Bureau of
Statistics and Financial Statistics of Provincial
Governments.

Please notice in the years from 1958 to March 31st, 1964, seven consecutive federal deficits amounted to over three and a half billion dollars, provincial deficits to nearly one billion, 200 million dollars, for a total of 4 billion, 695 million dollars, representing an average annual deficit of over 670 million dollars.

These figures speak for themselves. For the past seven consecutive years economic expansion has not been sufficient to generate enough new revenue to keep pace with increasing costs of existing government services, plus new services which have been added.

To absorb such increases without ad-

ditional taxation, it is estimated that Canada must achieve an annual increase of 3% in employment and a 5.5% increase in real productivity. A 5.5% growth rate is double the annual rate of economic growth attained between 1956 and 1963, while a 3% annual growth in employment means providing as many jobs in the four and a half remaining years, between now and 1970, as Canada has provided in the last fourteen years.

In the absence of any dynamic national program to effectively stimulate economic growth at a much faster rate than anything we have experienced thus far, it is wishful thinking to anticipate such goals being reached. It is misleading to give the Canadian people the false impression that their governments can take on an additional expenditure, amounting shortly to over one billion dollars a year, without imposing heavy additional taxation at both federal and provincial levels.

The projected increases in the cost of state-operated medical services are invariably on the low side. This has been the experience of both Britain and in Sweden where in the fourteen years since their state medicare program began the cost has increased by 500%, far exceeding official estimates. These facts are not being pointed out by those who are advocating that Canada embark on the same course.

Before I outline an alternative method that will achieve the same objective as the

federal proposal, at a fraction of the cost to Canadian taxpayers, two further aspects of their proposal deserve our attention. The first is the requirement that the scheme be administered solely by governments or government agencies. This means that all existing medical insurance programs and companies providing them will be eliminated. I submit that this is unwise and unwarranted. There are hundreds of sound medical insurance programs now in effect, and giving satisfactory service to those involved.

Many of these benefits are part of union agreements worked out between management and their employees. Why should such programs be scrapped to give government bureaucracy a monopoly position in the field of medical insurance at public expense? This, again, is a flagrant violation of the basic principles of a free enterprise society.

The second matter is the impact the proposed medicare scheme will have on the quality of services available to the people concerned. Little or no thought appears to have been given to the physical requirements of implementing the plan. Apparently, the doctors, who must provide the services, were not even consulted. The fact is there are not enough doctors and medical facilities available to make such a program possible without lowering medical standards by overloading both medical personnel and medical facilities.

The experience in other countries has demonstrated that medicare programs, under which the state assumes the entire financial responsibility, inevitably invite abuses in the form of excessive demands on medical practitioners. You can't sell people the false philosophy that medical services are a right for which they have no direct personal responsibility, financial or otherwise, without creating an attitude that leads men to demand all they can get of the so-called "right" at the state's expense.

Speaking of the experience in Britain, a doctor, practicing under their scheme, recently said: (Quote) "A free access service is feasible only if there are enough doctors to man it. There are not enough doctors to man the general practitioner service now and the situation worsens every day. Let there be no mistake, the present system of free access has resulted in a national soup kitchen of health, the minimum provision for the maximum number." (Unquote)

The long-range impact on medical standards and the progress of medical science is even more serious. There is urgent need for millions of dollars of public funds to advance medical research, not only to discover better methods to cure and prevent disease but to produce skilled personnel who will become the instructors of those entering the medical profession. Failing this, the standards of medical care

must deteriorate. Money for long range medical research must come, mainly, from governments but if governments get into the business of paying the total bill for daily medical care it is easy to see what will eventually happen.

The benefits of expenditures for long-range research are remote from the average citizen. Day-to-day medical bills are near at hand, and therefore, more apparent. Under these circumstances, political pressures to increase the scope of day-to-day medical coverage are bound to build up and expenditures for long-range research will be subjugated to the political expediency of further expanding the immediate services which count most with the electorate. The more money governments spend on services which most people can provide either wholly or partially for themselves, the less there will be to pay for medical research and facilities, which must be financed from public funds. This has been the experience in Britain and the consequences are now causing deep concern.

Canada, last year, spent less than 12 million dollars on medical research. We should be spending at least 100 million and even then we would still be far behind most other nations. Medical authorities estimate that federal aid of at least 30 million dollars a year is needed for necessary medical schools alone.

These matters, which are definitely government responsibilities, surely should

have priority over the unnecessary spending of public money to pay for medical service for those both willing and well able to provide such services for themselves.

Large public expenditures in other fields should likewise be given priority over the type of medicare program proposed. There is great need for federal aid in expanding university facilities and the training of technical personnel. Most provinces would put federal aid to meet these pressing government responsibilities ahead of the proposed medicare scheme.

Having considered the dangerous defects of the federal scheme as presently proposed, let us now look for an alternative. As citizens and taxpayers, you have a right to know there does exist a better method for bringing comprehensive medical care within the financial reach of every Canadian. There is an alternative course of action that already has been recognized and approved by at least three Canadian provinces.

First, let it be recognized that there are many citizens whose financial resources are sufficient to enable them to purchase comprehensive medical insurance without government assistance. Many have already done so and there is no legitimate reason to compel such citizens to participate in any government medicare scheme.

Second, let the governments of Canada jointly make available, on a voluntary

basis, to all citizens whose incomes are insufficient to enable them to purchase comprehensive medical insurance, a subsidy adequate to bring such insurance well within their financial reach.

If there is concern that some will fail to avail themselves of medical insurance, under such circumstances let governments induce them to participate by education and persuasion rather than conscripting their participation along with that of every other citizen through dictatorial universal compulsion.

What I am advocating as a superior alternative to the federal proposal is a voluntary state-subsidized medical insurance program, based on two sound fundamental principles.

- (1) That the individual has a responsibility to provide for his medical needs just as he has a responsibility to provide for his own needs in other areas affecting his welfare.
- (2) That society as a whole has a responsibility to ensure that such services are available at a cost to the individual within his ability to pay.

This second principle is sometimes met with the argument that this makes government assistance in meeting medical costs a matter of discrimination and requires that the more wealthy not only insure themselves but contribute to the cost

of medical insurance for those less fortunate financially. This argument is without foundation in fact. Under a compulsory state scheme those with higher incomes, through taxation, pay not only the cost of medical services for themselves but also provide the tax money to pay for those whose incomes exclude them from the tax-paying category. Under state medicare those who are taxpayers pay the entire cost, whereas under a state-subsidized, voluntary medical insurance plan they pay only what is necessary to bring the cost within the financial reach of those in the lower income brackets.

The alternate plan I have proposed does not require any element of compulsion and therefore does not do violence to the basic principles of a free society. It can be administered by either government or commercial insurance carriers and need not interfere in any way with existing medical plans or the companies writing such insurance as legitimate business in a free enterprise society. In short, such a voluntary prepaid state-subsidized medical insurance program can, and will, achieve every legitimate objective of a compulsory state medicare plan at a fraction of the cost to the public treasury and without any of its objectionable features.

My own Province of Alberta is one of the provinces which has instituted a subsidized prepaid medical insurance plan. Our

program is entirely voluntary. Medical insurance policies are issued and administered by the various carriers who have registered under the plan. The government stipulates the minimum coverage of the medical services their policies must provide. We also fix the maximum premium rates they may charge. The government subsidies at present apply to those whose taxable income is below \$500.00 a year. These subsidies pay approximately 50% for those whose income is below income tax levels and 25% of the premium for those whose taxable income is not in excess of \$500.00. These are initial experimental rates and will be adjusted in the light of experience. It is significant that with these modest subsidies, in the space of one year's operation, over 80% of Alberta residents are now covered by medical insurance.

The present annual cost of the subsidies is approximately two and a half million dollars. Suppose, for the purpose of illustration, this amount was doubled or even quadrupled, it would still be less than 11 million dollars a year. This sum would permit a substantial increase in the amount of subsidy, would enable higher income categories to be made eligible for subsidy and, in addition, would provide for even more comprehensive coverage. Compare this with the cost of the proposed federal scheme, which would provide no better coverage. At \$28.00 per capita the cost in

Alberta alone would be 42 million dollars in its initial stages, increasing to around 85 million dollars within three or four years. This is four to eight times the amount of public expenditure necessary to bring complete medical insurance well within the financial reach of all our people in Alberta. Applied to Canada as a whole a generous voluntary government subsidized prepaid medical insurance program would not cost the taxpayers more than 150 million a year, as compared with the federal scheme's 500 million to 1 billion dollars a year. The difference would be more than ample to provide a gigantic program of medical research, build and equip the needed medical colleges, and leave millions available for other essential public expenditures.

In the last analysis, it is not governments but you, the people of Canada, who must decide which of these two roads you wish to take. I have spent thirty consecutive years of my life in the government of my province. My first concern is for the good and welfare of those whose public affairs I am responsible to administer. I am equally concerned for the Canadian people as a whole and that is why I sought this opportunity to discuss this vital issue with you in this way. Canada is dangerously close to setting her feet on a path that can lead to but one ultimate end. That end will be a nation turned into a regimented socialistic welfare state. There are

those who say this is inevitable and that Canadians who cherish individual responsibility and enterprise and freedom of choice are trying to hold back an irresistible tide. I do not believe that this is so.

I have a deep conviction that the majority of Canadian people want to stand on their own feet and do their own thinking and make their own decisions, shoulder their own responsibilities, and be free to challenge the limitless opportunities this nation affords to men of imagination, enterprise and the will to achieve.

The socialistic element in any society is always vocal far beyond its numerical strength. On the other hand, those who assume their individual and collective responsibility are inclined to remain silent while doing those things which make for achievement and progress. Their silence sometimes leads politicians and even governments to give undue credence to the socialists' loud and incessant clamour. Such governments would do well to heed the counsel of the British statesman, Edmund Burke, when he said "because half a dozen grasshoppers, under a fern, make the field ring with their importunate chink, whilst thousands of great cattle, reposed beneath the shadow of the British oak, chew the cud and are silent, pray do not imagine that those who make the noise are the only inhabitants of the field."

To those who want to see a free society preserved in Canada, the proposed com-

pulsory federal medical care program is a direct challenge to individual liberty and responsibility. The time has come to let your governments know beyond all shadow of doubt that socialists and collectivists are not the only inhabitants of the field.

You ask what you can do. You can:

- (1) Discuss this issue with your friends and neighbors and business associates. Make sure they understand what is involved.
- (2) Get in touch with your representative in Parliament and in your Provincial Legislature. Tell them where you stand on this matter.
- (3) Write to the Prime Minister and to the Minister of National Health and Welfare. The socialists are busy telling them this program is what you need and what you want. It's up to you to tell them if this is so, or if you prefer the superior alternative.
- (4) Talk this matter over with your family doctor. He has had first-hand experience in providing medical services and he knows better than anyone else what is involved in providing a high standard of medical care. Surely, if you can't trust his experience and judgment in this matter, you can't trust his judgment in prescribing the pills he gives you for your aches and pains.

- (5) Finally, remember it is of the utmost importance that all Canadians be made aware of the serious weaknesses inherent in the federal medicare scheme as presently proposed. It is equally important that Canadians be informed that there is a superior alternative in order that they may make an intelligent choice. You can assist in informing the Canadian public on this important matter by distributing copies of this address among your friends and acquaintances. Additional copies may be obtained, at cost, by writing to Telefacts Publications, Box 2300, Edmonton, Alberta.

(See inside front cover for quantity rates)





